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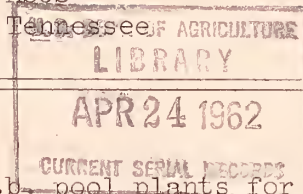
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Volume 6

MILK MARKET INFORMATION  
CHATTANOOGA, TENNESSEE, MARKETING AREA  
March 1962

Number 8

Released Pursuant to §1090.27 (j) and §1090.85, USDA-ASCS  
Federal Order No. 90, 5916 Brainerd Road, Chattanooga 11, Tennessee  
J. B. McCroskey, Market Administrator



MARKET SUMMARY MARCH 1962

The Chattanooga Order MINIMUM uniform producer prices per cwt. f.o.b. pool plants for milk testing 4.0% are: Base Milk \$4.77, Excess Milk \$2.99. The butterfat differential is 7.6 cents for each one-tenth of one percent above or below 4.0%.

During March 76.3% of the total producer milk was priced in Class I at \$5.18 per cwt. with a butterfat differential of 7.9 cents and 23.7% priced in Class II at \$3.03 per cwt. with a butterfat differential of 7.0 cents. The percent of producer skim and butterfat priced in Class I was 76.8% and 63.6% respectively. Base milk was 92.2% and excess milk was 7.8% of the total producer deliveries. All excess milk and 17.3% of base milk was priced in Class II and 82.7% of base milk was priced in Class I.

The daily average deliveries of producer milk during March increased 0.7% compared with February and increased 4.5% compared with March 1961. The daily average use of Class I milk increased 2.5% compared with February and increased 5.9% compared with March 1961. The daily average base delivered was 94.4% of the established base.

NUMBER OF FARM PAYROLL ACCOUNTS

	1961										1962		
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
New	2	3	2	1	1	13	2	5	4	-	3	2	1
Quit	3	3	2	4	3	4	1	4	3	1	3	4	3
Total	679	679	679	676	674	683	684	685	686	685	685	683	681

MILK SAMPLES TESTED - Producer Fresh Samples 5,917 - Handler Finished Products 220. During March an average of 8.7 samples per producer was used to determine butterfat content and pay test. Other samples were used to determine water, bacteria, antibiotics, etc. by the plants and various agencies.

USDA ANNOUNCES DAIRY SUPPORT PRICES

The Secretary of Agriculture announced March 30 that effective April 1, 1962, prices to dairy farmers for milk will be supported at \$3.11 per hundredweight for manufacturing milk and 57.2¢ per pound for butterfat for the next marketing year. This new price represents a reduction of 29 cents per hundredweight from the support price which has been in effect since March 10, 1961.

The new price is 75 percent of the parity equivalent price for manufacturing milk.

The Secretary announced that this reduction is mandatory under the Agricultural Act of 1949. Under this legislation dairy support prices are mandatory between 75 and 90 percent of parity. The law requires that the Secretary of Agriculture set within this range the level "necessary in order to assure an adequate supply." All indications are that supplies will be more than adequate in the coming months at the announced price support level.

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>Mar. '62</u>	<u>Feb. '62</u>	<u>Mar. '61</u>
Number of Plants (Pool and Non-Pool)	15	15	19
<u>GROSS RECEIPTS POUNDS (DAILY AVERAGE)</u>			
Producer Deliveries	491,393	487,973	470,370
% March '62 compared with:	100.0	100.7	104.5
Other Source	9,804	8,136	16,458
Other Order	4,741	6,605	4,643
Total Milk Receipts	505,938	502,714	491,471
% March '62 compared with:	100.0	100.6	102.9
<u>GROSS UTILIZATION POUNDS (DAILY AVERAGE)</u>			
Class I Uses:			
Fluid Milk	312,831	303,926	296,104
Fluid Skim	16,736	16,320	13,356
Buttermilk	40,369	39,177	38,475
Chocolate Milk	7,922	8,014	7,592
Fluid Creams (Sweet & Sour)	2,647	2,501	2,475
Bulk to Non-Handlers	211	190	86
Shrinkage Class I	1,822	1,480	1,458
Other	(2,780)	(1,052)	(812)
Total Class I Milk	379,758	370,556	358,734
% March '62 compared with:	100.0	102.5	105.9
Class II Uses:			
Butter	13,625	12,452	7,408
Cottage Cheese	17,991	15,808	18,568
Powdered and Condensed Milk	66,858	63,148	72,076
Ice Cream	23,806	24,090	25,326
Stockfeed	2,764	3,211	3,218
Shrinkage Class II	7,554	8,516	6,600
Other	(6,418)	4,933	(459)
Total Class II Milk	126,180	132,158	132,737
% March '62 compared with:	100.0	95.5	95.1
Gross Class I Butterfat Pounds	13,289	12,937	12,590
Gross Class II Butterfat Pounds	7,717	8,038	7,796
Total Butterfat Pounds	21,006	20,975	20,386
% Producer Milk of Gross Class I	129.4	131.7	131.1
% Producer Milk priced in Class I	76.3	75.0	75.3

APRIL 1962 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	<u>Apr. '62</u>	<u>Mar. '62</u>	<u>Apr. '61</u>
Basic Formula (See page 4)	\$3.65	\$3.65	\$3.61
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	(0.16)	(0.22)	(0.10)
Class I Price, 4.0% Butterfat	\$5.24	\$5.18	\$5.26
Per \$ 1090.51 (a)			

Supply-Demand Comparison: 1st and 2nd preceding months: February and March  
Supply: Lbs. Producer Milk (Feb. 13,663,254 and Mar. 15,233,187) 28,896,441  
Demand: Lbs. Net Class I Milk (Feb. 10,286,533 and Mar. 11,717,840) 22,004,373  
Utilization Percentage: Producer milk divided by Class I 131  
Standard Utilization Percentage: Range 119-123 123  
Net Deviation Percentage: Utilization minus Standard Utilization plus 8  
Supply-Demand Adjustment: 2 cents x 8 percentage points minus \$0.16

Since the supply in relation to the demand is more than the desired standard, the price is decreased 16 cents per hundredweight (2 cents x 8 percentage points).



## COMPUTATION OF UNIFORM PRODUCER PRICES FOR MARCH 1962

Based on 15 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test-%	Cwt.Price @ Test	Value
Gross Class I		11,772,499	3.499		
Less Other Source		152,165	1.992		
Producer Milk Class I	76.3	11,620,334	3.519012	\$4.800019	\$557,778.24
Gross Class II		3,911,570	6.116		
Less Other Source		298,717	1.668		
Producer Milk Class II	23.7	3,612,853	6.483740	4.768618	172,283.16
TOTAL PROD. (Cl. I + Cl. II)	100.0	15,233,187	4.222157		730,061.40
Add Fractional Adjustment					.11
Add Compensatory Payment Value					308.00
Add Overage Value					270.36
Add Inventory Reclassification Value					1,133.10
Add $\frac{1}{2}$ Prod.-Settlement Fund Reserve					5,872.51
TOTAL VALUE AT TEST		15,233,187	4.222157		737,645.48
Less Test Over 4% @ 7.6¢ per point		15,233,187	.222157	0.168839	25,719.56
TOTAL PRODUCER MILK VALUE AT 4% TEST		15,233,187	4.0		711,925.92
		Pounds	Price 4%	Amount	
Excess Producer Milk - Class I		-	-	-	
Excess Producer Milk - Class II		1,185,462	\$3.03	\$35,919.50	
Total Excess Producer Milk		1,185,462	3.03	35,919.50	
Less Prod.-Settlement Fund Res. @ 4¢		1,185,462	.04		474.19
UNIFORM EXCESS PRICE f.o.b. PLANT - 4%		1,185,462	2.99		35,445.31
Value of Base Milk (Total less Excess)		14,047,725	4.812213		676,006.42
Less Producer-Settlement Fund Reserve		14,047,725	.042213		5,929.97
UNIFORM BASE PRICE f.o.b. PLANT - 4%		14,047,725	\$4.77		\$670,076.45

MARCH 1962 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)  
 BUTTERFAT DIFFERENTIAL 7.6¢ PER POINT (EXCLUDES PREMIUMS)

TEST %	PRICES		TEST %	PRICES		TEST %	PRICES	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0%	\$4.01	\$2.23	4.0%	\$4.77	\$2.99	5.0%	\$5.53	\$3.75
3.05	4.048	2.268	4.05	4.808	3.028	5.05	5.568	3.788
3.1	4.086	2.306	4.1	4.846	3.066	5.1	5.606	3.826
3.15	4.124	2.344	4.15	4.884	3.104	5.15	5.644	3.864
3.2	4.162	2.382	4.2	4.922	3.142	5.2	5.682	3.902
3.25	4.20	2.42	4.25	4.96	3.18	5.25	5.72	3.94
3.3	4.238	2.458	4.3	4.998	3.218	5.3	5.758	3.978
3.35	4.276	2.496	4.35	5.036	3.256	5.35	5.796	4.016
3.4	4.314	2.534	4.4	5.074	3.294	5.4	5.834	4.054
3.45	4.352	2.572	4.45	5.112	3.332	5.45	5.872	4.092
3.5	4.39	2.61	4.5	5.15	3.37	5.5	5.91	4.13
3.55	4.428	2.648	4.55	5.188	3.408	5.55	5.948	4.168
3.6	4.466	2.686	4.6	5.226	3.446	5.6	5.986	4.206
3.65	4.504	2.724	4.65	5.264	3.484	5.65	6.024	4.244
3.7	4.542	2.762	4.7	5.302	3.522	5.7	6.062	4.282
3.75	4.58	2.80	4.75	5.34	3.56	5.75	6.10	4.32
3.8	4.618	2.838	4.8	5.378	3.598	5.8	6.138	4.358
3.85	4.656	2.876	4.85	5.416	3.636	5.85	6.176	4.396
3.9	4.694	2.914	4.9	5.454	3.674	5.9	6.214	4.434
3.95	4.732	2.952	4.95	5.492	3.712	5.95	6.252	4.472

## CHATTANOOGA ORDER MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES <sup>1/</sup>				HANDLER CLASS PRICES <sup>1/</sup>			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Mar.'61	\$4.73 <sup>2/</sup>	\$4.89	\$3.17	7.6¢	\$5.29	7.9¢	\$3.21	7.0¢
Apr.	4.56 <sup>2/</sup>	4.78	3.15	7.6	5.26	7.9	3.19	7.0
May	4.43 <sup>2/</sup>	4.65	3.09	7.6	5.14	7.9	3.13	7.0
June	4.51 <sup>2/</sup>	4.69	3.07	7.6	5.16	7.9	3.11	7.0
July	4.58 <sup>2/</sup>	4.76	3.06	7.6	5.20	7.9	3.10	7.0
Aug.	4.55	-	-	7.6	5.20	7.9	3.10	7.0
Sept.	4.67	-	-	7.6	5.00	7.9	3.65	7.0
Oct.	4.61	-	-	7.6	5.04	7.9	3.65	7.0
Nov.	4.74	-	-	7.6	5.14	7.9	3.65	7.0
Dec.	4.66	-	-	7.6	5.10	7.9	3.65	7.0
Jan.'62	4.74	-	-	7.6	5.16	7.9	3.65	7.0
Feb.	4.61	-	-	7.6	5.16	7.9	3.12	7.0
Mar.	4.63 <sup>2/</sup>	4.77	2.99	7.6	5.18	7.9	3.03	7.0
Apr.	-	-	-	-	5.24	7.9	-	-

## PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (\$-cwt-4%)				Highest or Basic Formula \$-cwt-4%
	Mid-West Cond.	Chi.92° Butter	Chi.Area Powders	Wisc. Cheese	Mid-West Cond.	Butter Cheese	Butter Powder	4 Tenn. Milk Mfg.	
	\$-cwt-3.5%	¢ Lb.	¢ Lb.	¢ Lb.					
Mar.'61	3.228	60.466	13.120	34.700	3.61	3.31	3.50	3.21	3.61
Apr.	3.230	60.466	14.325	34.625	3.61	3.31	3.58	3.19	3.61
May	3.188	60.466	14.615	34.344	3.57	3.31	3.61	3.13	3.61
June	3.122	60.466	14.820	34.250	3.50	3.31	3.61	3.11	3.61
July	3.154	60.466	14.865	34.375	3.53	3.31	3.61	3.10	3.61
Aug.	3.173	60.466	15.120	34.750	3.55	3.31	3.65	3.10	3.65
Sept.	3.182	60.466	15.105	35.025	3.56	3.32	3.65	3.10	3.65
Oct.	3.189	60.466	15.125	35.250	3.57	3.32	3.65	3.14	3.65
Nov.	3.206	60.466	15.070	35.250	3.59	3.32	3.65	3.15	3.65
Dec.	3.194	60.466	15.275	35.250	3.57	3.32	3.65	3.15	3.65
Jan.'62	3.178	60.466	15.260	35.250	3.56	3.32	3.65	3.15	3.65
Feb.	3.139	60.466	15.200	35.250	3.52	3.32	3.65	3.12	3.65
Mar.	3.061	60.466	15.060	34.850	3.44	3.32	3.65	3.03	3.65

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Month	HANDLER GROSS MILK 3/			PRODUCER DATA 3/				Deliveries Per			Prod. Milk Test%
	No.	Total	Class I	Class I	Total	Base	No.	Farm----Pounds			
	Hdlrs.	Receipt	Use	Use	Delivery	Delivery	Prod.	Prod.	Base	Exc.	
Mar. '61	19	491,471	358,734	354,390	470,370	425,350	679	693	626	67	4.22
Apr.	19	524,548	344,138	339,543	500,275	433,660	679	737	639	98	4.17
May	19	543,235	335,018	330,864	499,424	430,079	679	736	633	103	4.17
June	17	527,227	326,883	322,856	460,325	409,710	676	681	606	75	4.16
July	16	467,128	320,886	316,645	437,762	391,235	674	649	580	69	4.11
Aug.	16	482,211	331,130	326,695	455,739	-	683	667	-	-	4.10
Sept.	16	510,882	392,792	387,850	490,621	-	684	717	-	-	4.10
Oct.	16	496,512	359,804	355,333	484,049	-	685	707	-	-	4.33
Nov.	16	485,350	367,830	363,038	472,375	-	686	689	-	-	4.39
Dec.	16	494,324	351,891	347,812	476,639	-	685	696	-	-	4.41
Jan. '62	16	486,624	364,433	359,869	473,586	-	685	691	-	-	4.40
Feb.	15	502,714	370,556	365,746	487,973	-	683	714	-	-	4.23
Mar.	15	505,938	379,758	374,849	491,393	453,152	681	722	665	57	4.22

<sup>1/</sup> Excludes Premiums<sup>2/</sup> For statistics only<sup>3/</sup> Other Source is Gross minus Producer; Class II is Receipts minus Class I;  
Excess is Producer minus Base